

**THE COUNTY BULLETIN
and Uniform Compliance Guidelines
ISSUED BY THE STATE BOARD OF ACCOUNTS**

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April 1998

REMINDER OF ORDER OF BUSINESS

April

- 8 & 9 State Board of Accounts called meeting for County Recorders - Indianapolis
- 10 Good Friday - Legal Holiday (IC 1-1-9-1)
- 15 Members of Tax Adjustment Board to be appointed before this date to serve one year in counties that have not abolished such board. (IC 6-1.1-29-9)
- Last day to make pension report and payment for first quarter by counties participating in Public Employees' Retirement Fund.
- 20 Last day to report and make payment of balance of State and County Income Tax withheld in March to Indiana Department of Revenue.
- Last day to file quarterly unemployment compensation reports with Indiana Employment Security Division.
- 30 Prepare inventory of Loans to Common, Congressional, Permanent Endowment and Cemetery Trust Funds.
- Last day to file quarterly report of Federal withholdings tax with Director of Internal Revenue.

May

- 1 Last day for Township Trustee to report to County Auditor all unpaid claims, because of lack of funds, for losses caused by dogs. (IC 15-5-9-11)
- Prepare and send report of school funds to Auditor of State and make payment of principal and interest due to Treasurer of State on the Common and Permanent Endowment Funds, and pay the Treasurer of State all fines and forfeitures on hand April 30, 1998, as shown in this report. (IC 21-1-3-7)

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REMINDER OF ORDER OF BUSINESS
(Continued)

May - (Continued)

- 1 Prepare report of school funds (Form No. 6) and present the report to the Board of Commissioners for approval. After approval, mail one copy to the State Department of Education, 229 State House, and one copy to the Auditor of State, 240 State House.
- 10 Last day for filing applications for tax deductions to obtain deduction on 1998 payable 1999 taxes. (IC 6-1.1-12-2)

Last day to make report to Auditor of State of all unpaid claims against the dog fund not covered by distributions to townships in March 1998. (IC 15-5-9-11)
- 11 First installment of property taxes due. (IC 6-1.1-22-9)
- 13, 14
15 State Board of Accounts called meeting for County Auditors - Clarksville
- 15 On or before May 15 is the last regular day for filing applications for tax exemption by Churches, Educational and Charitable organizations. (IC 6-1.1-11-3)

Period of normal filing of personal property schedules ends. (IC 6-1.1-1-7)
- 20 Last day to report and make payment of State and County Income Tax withheld in April to Indiana Department of Revenue.
- 25 Memorial Day - Legal Holiday (IC 1-1-9-1)

June

- 1 On or before this date County Treasurer shall search the records to ascertain if person so certified is delinquent in payment of Property Taxes and certify to Auditor of State and state agencies the names of state employees owing delinquent taxes. (IC 6-1.1-22-16)

County Auditor to prepare a list of persons owing delinquent taxes and believed to have money due from Auditor of State, State Highway Commission or any state institution or state school and furnish the list to those agencies on or before June 1.

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REMINDER OF ORDER OF BUSINESS
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June - (Continued)

- 15 On or before June 15 the County Auditor to give notice to tax exempt organizations which failed to file an application for exemption of property tax for which an exemption was effective for the previous year. (IC 6-1.1-11-5)

- 20 Last day to report and make payment of State and County Income tax withheld in May to Indiana Department of Revenue.

 On or before this date complete settlement and distribution of taxes collected by the County Treasurer since the last settlement. Prepare settlement sheet to be submitted to Auditor of State for approval and make distribution of funds due local governmental units and the Treasurer of State by June 30. (IC 6-1.1-27-3)

- 23, 24
25 State Board of Accounts called meeting for Clerk of the Circuit Courts - Indianapolis

- 30 County Treasurer to certify list of real property eligible for tax sale to County Auditor on or before July 1.

Monthly Financial Reports

I.C. 36-2-10-16 requires before the sixteenth day of each month, the treasurer shall prepare a report showing, as of the close of business on the last day of the preceding month, the following items:

- 1. The total amount of taxes collected and not included in the last semiannual settlement of taxes, and the amount of taxes omitted from any preceding semiannual settlements, except for taxes advanced to the state or a municipal corporation in the county and for which an advance settlement has been made.

- 2. The total amount of taxes collected under IC 6-5-10, IC 6-5-11, an IC 6-5-12 and not included in the last semiannual settlement of taxes and the amount of those taxes omitted from any preceding semiannual settlements.

- 3. The totals of money received from all other sources and not receipted into the ledger fund accounts of the county at the end of the month.

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Monthly Financial Reports - Continued)

4. The total of the balances in all ledger fund accounts.
5. The total amount of cash in each depository at the close of business on the last day of the month.
6. The total of county warrants issued against each depository that are outstanding and unpaid at the end of the month.
7. The record balance of money in each depository at the end of the month.
8. The cash in the office at the close of the last day of the month.
9. Other items for which the treasurer is entitled to credit.

The treasurer shall prepare the report in quadruplicate and verify each copy. The treasurer shall retain one (1) copy as a public record and file three (3) copies with the county auditor. The State Board of Accounts shall prescribe forms for the report in the detail it considers necessary under this section and IC 5-13-6-1(c).

The treasurer shall make the monthly report required by IC 36-2-6-14.

**Taxation - Penalty On Installment Which Is Less Than \$25
Where A County Has Made Entire Installment Due May 10**

If the county council has adopted an ordinance requiring a person to pay his property tax liability in one installment, when the tax liability for a particular year is less than twenty-five dollars (\$25), the tax liability for that year is due in one (1) installment on May 10 (IC 6-1.1-22-9 and IC 6-1.1-7-7). If the person does not pay his tax liability in this situation on or before May 10, a ten percent (10%) penalty will be added after May 10. However, this is the only penalty which can be assessed against that person on the current installment due. If the taxpayer fails to pay the installment due on May 10 until after November 10, only one penalty may be assessed for the current year's taxes.

Small Claims Proceedings - Appearance By Legal Counsel For Corporations

For small claims cases exceeding one thousand five hundred dollars (\$1,500), a corporation must appear by counsel. For small claims cases not exceeding one thousand five hundred (\$1,500), a corporation may be represented by counsel or by a full-time employee of the corporation designated by the board of directors to appear as the corporation in the presentation of claims arising out of the business of the corporation.

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Small Claims Proceedings - Appearance By Legal Counsel For Corporations - (Continued)

Before a designated employee is allowed to appear in a small claims proceeding, the corporation must have on file with the court exercising jurisdiction of the proceeding, a certificate of compliance with the provisions of Small Claims Rule 8.

Federal Assistance - Data Collection Form

The Bureau of Census began sending in 1997 to units of government receiving federal funds Form SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.

Please keep the form on file and as our Field Examiners begin doing the audits they will be requesting the forms.

Counties, as our auditee, will be required to complete a portion of the form and the State Board of Accounts, as auditor, will be required to fill out the rest of the form.

Do not currently mail the form to the Single Audit Clearinghouse in Jeffersonville. Field Examiners will provide any assistance and guidance needed in completing the form, at the time of audit. The completion of the form only needs to be done in conjunction with the State Board of Accounts audit and the work we do with the completion of the form is part of our service. The counties' participation in completion of the form in most situations should not be difficult, which hopefully will negate the need for any additional services or costs to the taxpayers.

Public Purchasing

Effective July 1, 1998, the Public Purchase Law in IC 36-1-9 is repealed. The new purchasing law may be found in IC 5-22-1. This is a major change to the purchasing procedures we have known for years. You should make sure your county attorney has reviewed this new statute and advised you accordingly to the new provisions for purchases after July 1, 1998. We will have a more detailed discussion and analysis of this new law at the State Board of Accounts called meetings.

Education License Plate Fee

IC 9-18-31 authorizes the collection of the Education License Plate Fee. The annual fee of this plate is \$25. Of this fee, 25% goes to the state superintendent of public instruction and 75% of this fee goes to one of the following: (1) an education foundation or (2) a school corporation.

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Education License Plate Fee - (Continued)

If an educational foundation that is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3) is established as an Indiana nonprofit corporation for the benefit of a school corporation designated to receive a fee under this chapter, fees designated to go to the school corporation shall be distributed to an educational foundation that provides benefit to the designated school corporation. A school corporation that receives benefit from an educational foundation that meets the requirements of this section shall:

(1) obtain a certificate from the educational foundation that certifies to the school corporation and the county auditor that the educational foundation:

- (A) is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3);
- (B) is established as an Indiana nonprofit corporation to provide benefit to the school corporation; and

(2) provide a copy of the certificate to the county auditor.

If a school corporation designated to receive a fee does not receive benefit from an educational foundation, the fees designated to go to the school corporation shall be distributed to the school corporation and may only be used for purposes other than general fund purposes.

Before the twentieth day of the calendar month following the calendar month in which a fee was collected, the bureau shall distribute the fees collected to the county auditor of the county in which the designated school corporation's administration office is located. Each monthly distribution shall be accompanied by a report to the auditor that shows:

(1) the total amount of the monthly distribution for all school corporations in the county that were designated to receive an education license plate fee; and

(2) the amount of the fees that are to be distributed to each designated school corporation in the county.

Within thirty (30) days of receipt of a distribution from the bureau, the county auditor shall distribute the fees received to:

(1) an education foundation, if the school corporation has provided a copy of the certificate; or

(2) the school corporation;

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Education License Plate Fee - (Continued)

whichever is applicable. The county auditor shall designate which school corporation is to receive benefit in connection with a distribution to an educational foundation. If the school corporation receives benefit from more than one (1) educational foundation, the superintendent of the benefited school corporation shall determine, and inform the auditor in writing, how fees received are to be distributed to the educational foundations. The county auditor shall, simultaneous with a distribution to an educational foundation, send the school corporation to receive benefit a notice of the distribution that identifies the recipient educational foundation and the date and the amount of the distribution.

Funds received by an educational foundation must be used to provide benefit to the designated school corporation within one (1) year of receipt from the county auditor.

We would recommend opening a new fund to account for the distribution from the Bureau of Motor Vehicles. This fund would be considered an agency fund. Distribution to the foundation or the school would be made from this fund without an appropriation.

Campaign Finance Report Civil Penalty

IC 3-9-4-17 states, "In addition to any other penalty imposed, a person who does any of the following is subject to a civil penalty:

- (1) Fails to file with a county election board a report in the manner required under IC 3-9-5.
- (2) Fails to file a statement of organization required under IC 3-9-1.
- (3) Is a committee or a member of a committee who disburses or expends money or other property for any political purpose before the money or other property has passed through the hands of the treasurer of the committee.
- (4) Makes a contribution other than to a committee subject to this article or to a person authorized by law or a committee to receive contributions in the committee's behalf.
- (5) Is a corporation or labor organization that exceeds any of the limitations on contributions prescribed by IC 3-9-2-4.
- (6) Makes a contribution in the name of another person.
- (7) Accepts a contribution made by one (1) person in the name of another person.
- (8) Is not the treasurer of a committee subject to this article, and pays any expenses of an election or a caucus except as authorized by this article.
- (9) Commingles the funds of a committee with the personal funds of an officer, a member, or an associate of the committee.
- (10) Wrongfully uses campaign contributions in violations of IC 3-9-3-4.

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Campaign Finance Report Civil Penalty - (Continued)

If the county election board determines that a person failed to file the report or a statement of organization not later than noon five (5) days after being given notice, the county election board may assess a civil penalty. The penalty is ten dollars (\$10) for each day the report is late after the expiration of the five (5) day period, not to exceed one hundred dollars (\$100) plus any investigative costs incurred and documented by the board. The civil penalty limit applies to each report separately.

If the county election board determines that a person failed to file the report or statement of organization by the deadline, the board shall assess a civil penalty. The penalty is fifty dollars (\$50) for each day the report is late, with the afternoon of the final date for filing the report or statement being calculated as the first day. The civil penalty may not exceed one thousand dollars (\$1,000) plus any investigative costs incurred and documented by the board. The civil penalty limit applies to each report separately.

If the county election board determines that a person is subject to a civil penalty under (a)(3), (a)(4), (a)(6), (a)(7), (a)(8), (a)(9), or (a)(10), the board may assess a civil penalty of not more than one thousand dollars (\$1,000), plus any investigative costs incurred and documented by the board.

If the county election board determines that a person is subject to a civil penalty under (a)(5), the board may assess a civil penalty of not more than three (3) times the amount of the contribution in excess of the limit prescribed by IC 3-9-2-4, plus any investigative costs incurred and documented by the board.

All civil penalties collected shall be deposited with the county treasurer to be deposited by the county treasurer in a separate account to be known as the campaign finance enforcement account. The funds in the account are available, with the approval of the county fiscal body, to augment and supplement the fund appropriated for the administration of this article.

Money in the campaign finance enforcement account does not revert to the county general fund at the end of the a county fiscal year.

Proceedings of the county election board under this section are subject to IC 4-21.5.

A person who:

- (1) is assessed a civil penalty; and
- (2) is elected to office in the subsequent election,

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Campaign Finance Report Civil Penalty - (Continued)

may have the election board order the auditor of state or the fiscal officer of the political subdivision responsible for issuing the person's payment for serving in office to withhold from the person's paycheck the amount of the civil penalty assessed. If the amount of the paycheck is less than the amount of the civil penalty, the auditor shall continue withholding money from the person's paycheck until an amount equal to the amount of the civil penalty has been withheld.

The auditor of state or fiscal officer shall deposit an amount withheld under this section in the election board campaign finance enforcement account.

Optical Imaged Checks

IC 5-15-6-3 states in part "...original records' includes the optical image of a check..."

The State Board of Accounts is of the audit position both sides of a check are part of the original record. Therefore, both sides of an "optical imaged check" should be available for public inspection and audit. Encoding, printing or bank certification should exist to ascertain that the back side of a check is part of a particular check, ie, endorsements belong to the front side of a check presented.

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Amounts Authorized To Be Received By Sheriffs For Board of Prisoners

By authority of IC 36-8-10-7, I, Charles Johnson, III, C.P.A., State Examiner of the State Board of Accounts, do hereby fix the exact amount per meal which the sheriff of each county in the State of Indiana, having a population of less than 250,000 according to the last preceding United State census, shall be entitled to receive for feeding prisoners legally in his charge, including Federal prisoners, for a period of one year, beginning April 15, 1998. Amounts received by the sheriff from the Federal government for board and care of Federal prisoners shall be paid into the County General Fund.

In determining and fixing the amount per meal, the use of wholesome food in quantities and varieties necessary for the preservation of the health of the prisoners is contemplated. All expenses related to preparing and serving meals, except for the costs of food, shall be borne by the county.

The amounts fixed are for meals actually served such prisoners during each respective month. Not more than three meals at county expense are to be served to any one prisoner in any one day.

The term "month" shall mean a period of time beginning April 15, 1998, and thereafter ending on the fourteenth (14th) day of each succeeding month. Claims for meals for the month beginning December 15 will be paid from the appropriation for the succeeding year.

For number of meals served during a period of one month, per meal:

In counties having a population of less than 20,000	\$1.79
In counties having a population of 20,001 to 40,000	\$1.73
In counties having a population of 40,001 to 41,499	\$1.65
In counties having a population of 41,500 to 65,500	\$1.46
In counties having a population of 65,501 to 100,000	\$1.24
In counties having a population of 100,001 to 200,000	\$1.11
In counties having a population of 200,001 or over	\$1.04

IC 36-8-10-7 states that the state examiner shall increase the amount per meal by a percentage that does not exceed the percentage of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established. The percent of increase in the Consumer Price Index from 1996 to 1997 was 2.3%. The increases shown in the above schedule are amounts allowed by IC 36-8-10-7.

The following counties will not be allowed the amounts authorized above:

Allen Lake Marion Vanderburgh

Charles Johnson, III, C.P.A.
State Examiner

Dated this 15th day of April, 1998
BAH/RJH:dsk